

105TH CONGRESS
2D SESSION

H. R. 3874

AN ACT

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes.

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To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes.

(a) SHORT TITLE.—This Act may be cited as the
“Child Nutrition and WIC Reauthorization Amendments
of 1998”.

Sec. 1. Short title; table of contents.
Sec. 2. Effective date.

- Sec. 101. Provision of commodities.
- Sec. 102. Nutritional and other program requirements.
- Sec. 103. Special assistance.
- Sec. 104. Miscellaneous provisions and definitions.
- Sec. 105. Summer food service program for children.
- Sec. 106. Commodity distribution program.
- Sec. 107. Child and adult care food program.
- Sec. 108. Meal supplements for children in afterschool care.
- Sec. 109. Universal free breakfast pilot projects.
- Sec. 110. Training and technical assistance.
- Sec. 111. Compliance and accountability.
- Sec. 112. Information clearinghouse.
- Sec. 113. Accommodation of the special dietary needs of individuals with disabilities.

Sec. 201. State administrative expenses.

Sec. 202. Special supplemental nutrition program for women, infants, and children.

Sec. 203. Nutrition education and training program.

10 This Act, and the amendments made by this Act,
11 shall take effect on October 1, 1998, or the date of the
12 enactment of this Act, whichever occurs later.

1 **TITLE I—AMENDMENTS TO THE**
2 **NATIONAL SCHOOL LUNCH ACT**

3 **SEC. 101. PROVISION OF COMMODITIES.**

4 Section 6 of the National School Lunch Act (42
5 U.S.C. 1755) is amended—

6 (1) in subsection (b), by striking “authorized
7 under subsection (c)” and inserting “required under
8 subsections (c) and (e)”;

9 (2) by striking subsections (c) and (d); and

10 (3) by redesignating subsections (e), (f), and
11 (g) as subsections (c), (d), and (e), respectively.

12 **SEC. 102. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
13 **MENTS.**

14 (a) STATE OR LOCAL HEALTH AND SAFETY INSPEC-
15 TIONS.—Section 9 of the National School Lunch Act (42
16 U.S.C. 1758) is amended by adding at the end the follow-
17 ing:

18 “(h) If the food service operations of a school partici-
19 pating in the school lunch program under this Act or the
20 school breakfast program under section 4 of the Child Nu-
21 trition Act of 1966 (42 U.S.C. 1773) are not required by
22 State or local law to undergo health and safety inspec-
23 tions, then the school shall twice during each school year
24 obtain State or local health and safety inspections to en-

1 sure that meals provided under such programs are pre-
2 pared and served in a healthful and safe environment.”.

3 (b) SINGLE PERMANENT AGREEMENTS BETWEEN
4 STATE AGENCIES AND SCHOOL FOOD AUTHORITIES;
5 COMMON CLAIMING PROCEDURES.—Section 9 of such Act
6 (42 U.S.C. 1758), as amended by this Act, is further
7 amended by adding at the end the following:

8 “(i)(1) If a single State agency administers the school
9 lunch program under this Act, the school breakfast pro-
10 gram under section 4 of the Child Nutrition Act of 1966
11 (42 U.S.C. 1773), the summer food service program for
12 children under section 13 of this Act, or the child and
13 adult care food program under section 17 of this Act, then
14 such agency—

15 “(A) shall require each school food authority to
16 submit a single agreement with respect to the oper-
17 ation of such programs by such authority; and

18 “(B) shall require a common claiming proce-
19 dure with respect to meals and supplements served
20 under such programs.

21 “(2) The agreement described in paragraph (1)(A)
22 shall be a permanent agreement that may be amended as
23 necessary.”.

1 **SEC. 103. SPECIAL ASSISTANCE.**

2 (a) SCHOOL ELIGIBILITY REQUIREMENTS FOR PAY-
3 MENTS.—Section 11(a)(1) of the National School Lunch
4 Act (42 U.S.C. 1759a(a)(1)) is amended—

5 (1) in subparagraph (C)—

6 (A) in clause (i)(I), by striking “3 succes-
7 sive school years” each place it appears and in-
8 serting “4 successive school years”; and

9 (B) in clauses (ii) and (iii), by striking “3-
10 school-year period” each place it appears and
11 inserting “4-school-year period”; and

12 (2) in subparagraph (D)—

13 (A) in clause (i)—

14 (i) by striking “3-school-year period”
15 each place it appears and inserting “4-
16 school-year period”; and

17 (ii) by striking “2 school years” and
18 inserting “4 school years”;

19 (B) in clause (ii)—

20 (i) by striking the first sentence; and

21 (ii) by striking “5-school-year period”
22 each place it appears and inserting “4-
23 school-year period”; and

24 (C) in clause (iii), by striking “5-school-
25 year period” and inserting “4-school-year pe-
26 riod”.

1 (b) ADJUSTMENTS TO PAYMENT RATES.—

2 (1) IN GENERAL.—Section 11(a)(3)(B) of such
3 Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

4 (A) in the first sentence, by striking “The
5 annual” and inserting “(i) The annual”; and

6 (B) in the third sentence—

7 (i) by striking “The adjustments” and
8 inserting the following:

9 “(ii) The adjustments”; and

10 (ii) by inserting “through April 30,
11 1999,” after “under this paragraph”; and

12 (iii) by adding at the end the follow-
13 ing:

14 “(iii) For the period beginning on May 1, 1999, and
15 ending on June 30, 1999, the national average payment
16 rates for meals and supplements shall be adjusted to the
17 nearest lower cent increment and shall be based on the
18 unrounded amounts used to calculate the rates in effect
19 on July 1, 1998.

20 “(iv) For July 1, 1999, and each subsequent July 1,
21 the national average payment rates for meals and supple-
22 ments shall be adjusted to the nearest lower cent incre-
23 ment and shall be based on the unrounded amount for
24 the preceding 12-month period.”.

1 (2) CONFORMING AMENDMENTS.—Section 4(b)
2 of the Child Nutrition Act of 1966 (42 U.S.C.
3 1773(b)) is amended—

4 (1) in the second sentence of paragraph (1)(B),
5 by striking “adjusted to the nearest one-fourth
6 cent,”; and

7 (2) in paragraph (2)(B)(ii), by striking “to the
8 nearest one-fourth cent”.

9 **SEC. 104. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

10 (a) ADJUSTMENTS TO REIMBURSEMENT RATES FOR
11 CERTAIN STATES AND TERRITORIES.—Section 12(f) of
12 the National School Lunch Act (42 U.S.C. 1760(f)) is
13 amended—

14 (1) by striking “school breakfasts and lunches”
15 and inserting “breakfasts, lunches, suppers, and
16 supplements”;

17 (2) by striking “sections 4 and 11” and insert-
18 ing “sections 4, 11, 13, and 17”; and

19 (3) by striking “lunches and breakfasts” each
20 place it appears and inserting “meals”.

21 (b) BUY AMERICAN REQUIREMENT.—Section 12 of
22 the National School Lunch Act (42 U.S.C. 1760) is
23 amended by adding at the end the following:

24 “(n) BUY AMERICAN REQUIREMENT.—

1 “(1) IN GENERAL.—For purposes of providing
2 meals under the school lunch program under this
3 Act or the school breakfast program under section 4
4 of the Child Nutrition Act of 1966 (42 U.S.C.
5 1773), the Secretary shall require schools located in
6 the contiguous United States to purchase, to the ex-
7 tent practicable, only food products that are pro-
8 duced in the United States.

9 “(2) ADDITIONAL REQUIREMENT.—The re-
10 quirement of paragraph (1) shall also apply to recip-
11 ient agencies in Hawaii only with respect to food
12 products that are grown in Hawaii in sufficient
13 quantities to meet the needs of meals provided under
14 the school lunch program under this Act or the
15 school breakfast program under section 4 of the
16 Child Nutrition Act of 1966 (42 U.S.C. 1773).

17 “(3) DEFINITION.—As used in this subsection,
18 the term ‘food products that are produced in the
19 United States’ means—

20 “(A) unmanufactured food products that
21 are grown or produced in the United States;
22 and

23 “(B) manufactured food products that are
24 manufactured in the United States substantially

1 from agricultural products grown or produced
2 in the United States.”.

3 **SEC. 105. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
4 **DREN.**

5 (a) DEFINITION OF PRIVATE NONPROFIT ORGANIZA-
6 TIONS.—Section 13(a)(7)(B) of the National School
7 Lunch Act (42 U.S.C. 1761(a)(7)(B)) is amended—

8 (1) in clause (i), to read as follows:

9 “(i) operate not more than 25 sites, with not
10 more than 300 children being served at any one site
11 (or, with a waiver granted by the State agency under
12 standards developed by the Secretary, not more than
13 500 children being served at any one site);”;

14 (2) by striking clauses (ii) and (iii); and

15 (3) by redesignating clauses (iv), (v), (vi), and
16 (vii) as clauses (ii), (iii), (iv), and (v), respectively.

17 (b) OFFER VERSUS SERVE.—Section 13(f)(7) of such
18 Act (42 U.S.C. 1761(f)(7)) is amended in the first sen-
19 tence by striking “attending a site on school premises op-
20 erated directly by the authority”.

21 (c) FOOD SERVICE MANAGEMENT COMPANIES.—

22 (1) CONTRACTING FOR PROVISION OF MEALS
23 OR MANAGEMENT OF PROGRAM.—Section 13(l)(1) of
24 such Act (42 U.S.C. 1761(l)(1)) is amended—

25 (A) in the first sentence—

1 (i) by striking “(other than private
2 nonprofit organizations eligible under sub-
3 section (a)(7))”; and

4 (ii) by striking “only with food service
5 management companies registered with the
6 State in which they operate” and inserting
7 “with food service management compa-
8 nies”; and

9 (B) by striking the last sentence.

10 (2) REGISTRATION.—Section 13(l)(2) of such
11 Act (42 U.S.C. 1761(l)(2)) is amended—

12 (A) in the first sentence of the matter pre-
13 ceding subparagraph (A), by striking “shall”
14 and inserting “may”; and

15 (B) by striking all after the first sentence.

16 (3) OTHER PROVISIONS.—Section 13(l) of such
17 Act (42 U.S.C. 1761(l)) is amended—

18 (A) by striking paragraph (3); and

19 (B) by redesignating paragraphs (4) and
20 (5) as paragraphs (3) and (4), respectively.

21 (d) REAUTHORIZATION OF PROGRAM.—Section 13(q)
22 of such Act (42 U.S.C. 1761(q)) is amended by striking
23 “1998” and inserting “2003”.

1 **SEC. 106. COMMODITY DISTRIBUTION PROGRAM.**

2 Section 14(a) of the National School Lunch Act (42
3 U.S.C. 1762a(a)) is amended in the matter preceding
4 paragraph (1) by striking “1998” and inserting “2003”.

5 **SEC. 107. CHILD AND ADULT CARE FOOD PROGRAM.**

6 (a) ELIGIBILITY OF INSTITUTIONS.—Section
7 17(a)(1) of the National School Lunch Act (42 U.S.C.
8 1766(a)(1)) is amended to read as follows:

9 “(1) an institution (except a school or family or
10 group day care home sponsoring organization) or
11 family or group day care home—

12 “(A)(i) shall be licensed, or otherwise have
13 approval, by the appropriate Federal, State, or
14 local licensing authority; or

15 “(ii) shall be in compliance with appro-
16 priate procedures for renewing participation in
17 the program, as prescribed by the Secretary,
18 unless the State has information indicating that
19 the institution or family or group day care
20 home’s license will not be renewed;

21 “(B) if Federal, State, or local licensing or
22 approval is not available—

23 “(i) shall meet any alternate approval
24 standards established by the appropriate
25 State or local governmental agency; or

1 “(ii) shall meet any alternate approval
2 standards established by the Secretary
3 after consultation with the Secretary of
4 Health and Human Services; or

5 “(C) if the institution provides care to
6 school children outside of school hours and Fed-
7 eral, State, or local licensing or approval is not
8 required for such institution, shall meet State
9 or local health and safety standards; and”.

10 (b) CATEGORICAL ELIGIBILITY FOR EVEN START
11 PROGRAM PARTICIPANTS.—Section 17(c)(6)(B) of such
12 Act (42 U.S.C. 1766(c)(6)(B)) is amended by striking
13 “1997” and inserting “2003”.

14 (c) TAX EXEMPT STATUS OF ELIGIBLE INSTITU-
15 TIONS; REMOVAL OF NOTIFICATION REQUIREMENT FOR
16 INCOMPLETE APPLICATIONS.—Section 17(d)(1) of such
17 Act (42 U.S.C. 1766(d)(1)) is amended—

18 (1) by inserting after the third sentence the fol-
19 lowing: “An institution moving toward compliance
20 with the requirement for tax exempt status shall be
21 allowed to participate in the program for a period of
22 not more than 6 months unless it can demonstrate
23 to the satisfaction of the State agency that its in-
24 ability to obtain tax exempt status within the 6-
25 month period is beyond the control of the institution

1 in which case the State agency may grant a single
2 extension not to exceed 90 days.”; and

3 (2) by striking the last sentence.

4 (d) USE OF FUNDS FOR AUDITS OF PARTICIPATING
5 INSTITUTIONS.—Section 17(i) of such Act (42 U.S.C.
6 1766(i)) is amended by striking “2 percent” and inserting
7 “1 percent”.

8 (e) PERMANENT AUTHORIZATION OF DEMONSTRA-
9 TION PROJECT.—Section 17(p) of such Act (42 U.S.C.
10 1766(p)) is amended by striking paragraphs (4) and (5).

11 (f) TRANSFER OF HOMELESS PROGRAMS.—

12 (1) IN GENERAL.—Section 17 of such Act (42
13 U.S.C. 1766) is amended by adding at the end the
14 following:

15 “(q) PARTICIPATION BY EMERGENCY SHELTERS.—

16 “(1) IN GENERAL.—Except as otherwise pro-
17 vided in this subsection, an emergency shelter shall
18 be eligible to participate in the program authorized
19 under this section in accordance with the terms and
20 conditions applicable to eligible institutions described
21 in subsection (a).

22 “(2) LICENSING REQUIREMENTS.—The licens-
23 ing requirements contained in subsection (a)(1) shall
24 not apply to emergency shelters or sites operated by
25 such shelters under the program.

1 “(3) ADDITIONAL REQUIREMENTS.—

2 “(A) HEALTH AND SAFETY STANDARDS.—

3 An emergency shelter and each site operated by
4 such shelter shall comply with State or local
5 health and safety standards.

6 “(B) MEAL REIMBURSEMENT.—

7 “(i) LIMITATION.—An emergency
8 shelter may claim reimbursement—

9 “(I) only for meals and supple-
10 ments served to children who have not
11 attained the age of 13 and who are
12 residing at an emergency shelter; and

13 “(II) for not more than 3 meals,
14 or 2 meals and a supplement, per
15 child per day.

16 “(ii) RATE.—A meal or supplement
17 eligible for reimbursement shall be reim-
18 bursed at the rate at which free meals and
19 supplements are reimbursed under sub-
20 section (c).

21 “(iii) NO CHARGE.—A meal or supple-
22 ment claimed for reimbursement shall be
23 served without charge.

24 “(4) DEFINITION OF EMERGENCY SHELTER.—

25 As used in this subsection, the term ‘emergency

1 shelter’ has the meaning given such term in section
2 321(2) of the Stewart B. McKinney Homeless As-
3 sistance Act (42 U.S.C. 11351(2)).”.

4 (2) CONFORMING AMENDMENTS.—(A) Section
5 13(a)(3)(C) of such Act (42 U.S.C. 1761(a)(3)(C))
6 is amended—

7 (i) in clause (i), by adding “or” at the end;

8 (ii) by striking clause (ii); and

9 (iii) by redesignating clause (iii) as clause
10 (ii).

11 (B) Section 17B of such Act (42 U.S.C. 1766b)
12 is hereby repealed.

13 (g) PARTICIPATION BY “AT RISK” CHILD CARE PRO-
14 GRAMS.—Section 17 of such Act (42 U.S.C. 1766), as
15 amended by this Act, is further amended by adding at the
16 end the following:

17 “‘(r) ‘AT RISK’ CHILD CARE.—

18 “(1) IN GENERAL.—Subject to the conditions in
19 this subsection, institutions that provide care to at
20 risk school children during after-school hours, week-
21 ends, or holidays during the regular school year may
22 participate in the program authorized under this
23 section. Unless otherwise specified in this subsection,
24 all other provisions of this section shall apply to
25 these institutions.

1 “(2) AT RISK SCHOOL CHILDREN.—Children
 2 ages 12 through 18 who live in a geographical area
 3 served by a school enrolling elementary students in
 4 which at least 50 percent of the total number of
 5 children enrolled are certified eligible to receive free
 6 or reduced price school meals under this Act or the
 7 Child Nutrition Act of 1966 shall be considered at
 8 risk.

9 “(3) SUPPLEMENT REIMBURSEMENT.—

10 “(A) LIMITATION.—Only supplements
 11 served to at risk school children during after-
 12 school hours, weekends, or holidays during the
 13 regular school year may be claimed for reim-
 14 bursement. Institutions may claim reimburse-
 15 ment for only one supplement per child per day.

16 “(B) RATE.—Eligible supplements shall be
 17 reimbursed at the rate for free supplements
 18 under subsection (c)(3).

19 “(C) NO CHARGE.—All supplements
 20 claimed for reimbursement shall be served with-
 21 out charge.”.

22 **SEC. 108. MEAL SUPPLEMENTS FOR CHILDREN IN AFTER-**
 23 **SCHOOL CARE.**

24 Section 17A of the National School Lunch Act (42
 25 U.S.C. 1766a) is amended—

1 (1) in subsection (a)(2)(C) to read as follows:

2 “(C) operate afterschool programs with an
3 educational or enrichment purpose.”; and

4 (2) in subsection (b), by striking “served to
5 children” and all that follows and inserting “served
6 to children who are not more than 18 years of age.”.

7 **SEC. 109. UNIVERSAL FREE BREAKFAST PILOT PROJECTS.**

8 Section 18(i) of the National School Lunch Act (42
9 U.S.C. 1769(i)) is amended to read as follows:

10 “(i) UNIVERSAL FREE BREAKFAST PILOT
11 PROJECTS.—

12 “(1) IN GENERAL.—

13 “(A) GRANTS TO STATES.—(i) Subject to
14 the availability of advance appropriations under
15 paragraph (8), the Secretary shall make grants
16 to not more than 5 States to conduct pilot
17 projects in elementary schools under school food
18 authorities located in each such State—

19 “(I) to reduce paperwork;

20 “(II) to simplify meal counting re-
21 quirements; and

22 “(III) to make changes that will in-
23 crease participation in the school breakfast
24 program.

1 “(ii) The Secretary shall select States to
2 receive grants under clause (i), and make
3 grants to such States, in the first fiscal year for
4 which appropriations are made to carry out this
5 subsection.

6 “(B) GRANTS TO SCHOOL FOOD AUTHORI-
7 TIES; DURATION OF PILOT PROJECTS.—(i)(I) A
8 State receiving a grant under subparagraph (A)
9 shall make grants to school food authorities to
10 carry out the pilot projects described in such
11 subparagraph.

12 “(II) The State shall select school food au-
13 thorities to receive grants under clause (i), and
14 make grants to such authorities, in the first fis-
15 cal year for which the State receives amounts
16 under a grant.

17 “(ii) A school food authority receiving
18 amounts under a grant to conduct a pilot
19 project described in subparagraph (A) shall
20 conduct such project for the 3-year period be-
21 ginning in the first fiscal year in which the au-
22 thority receives amounts under a grant from
23 the State.

24 “(C) PARTICIPATION LIMITATION.—A
25 school food authority conducting a pilot project

1 under this paragraph shall ensure that some el-
2 elementary schools under such authority do not
3 participate in the pilot project.

4 “(2) WAIVER AUTHORITY.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), the Secretary may waive the
7 requirements of this Act and the Child Nutri-
8 tion Act of 1966 (42 U.S.C. 1771 et seq.) relat-
9 ing to counting of meals, applications for eligi-
10 bility, and related requirements that would pre-
11 clude the Secretary from making a grant to
12 conduct a pilot project under paragraph (1).

13 “(B) NON-WAIVABLE REQUIREMENTS.—

14 The Secretary may not waive a requirement
15 under subparagraph (A) if the waiver would
16 prevent a program participant, a potential re-
17 cipient, or a school from receiving all of the
18 benefits and protections of this Act, the Child
19 Nutrition Act of 1966, or a Federal statute or
20 regulation that protects an individual constitu-
21 tional right or a statutory civil right.

22 “(3) REQUIREMENTS FOR PARTICIPATION IN
23 PILOT.—To be eligible to participate in a pilot
24 project under this subsection—

25 “(A) a State—

1 “(i) shall submit an application to the
2 Secretary at such time and in such manner
3 as the Secretary shall establish; and

4 “(ii) shall provide such information
5 relative to the operation and results of the
6 pilot as the Secretary may reasonably re-
7 quire; and

8 “(B) a school food authority—

9 “(i) shall agree to serve all breakfasts
10 at no charge to all children in participating
11 elementary schools;

12 “(ii) shall not have a history of viola-
13 tions of this Act or the Child Nutrition Act
14 of 1966 (42 U.S.C. 1771 et seq.); and

15 “(iii) shall meet any other require-
16 ment that the Secretary may reasonably
17 require.

18 “(4) SELECTION OF PILOT ELEMENTARY
19 SCHOOLS.—To the extent practicable, a State shall
20 select school food authorities to participate in the
21 pilot program under this subsection in a manner
22 that will provide for an equitable distribution among
23 the following types of elementary schools:

24 “(A) Urban and rural elementary schools.

1 “(B) Elementary schools of varying family
2 income levels.

3 “(5) REIMBURSEMENT RATES.—A school food
4 authority conducting a pilot project under this sub-
5 section shall receive reimbursement for each break-
6 fast served under the pilot in an amount equal to
7 the rate for free breakfasts established under section
8 4(b)(1)(B) of the Child Nutrition Act of 1966 (42
9 U.S.C. 1773(b)(1)(B)).

10 “(6) COMMODITY ENTITLEMENT.—A school
11 food authority conducting a pilot project under this
12 subsection shall receive commodities in the amount
13 of at least 5 cents per breakfast served under the
14 pilot. The value of such commodities shall be de-
15 ducted from the amount of cash reimbursement de-
16 scribed in paragraph (5).

17 “(7) EVALUATION OF PILOT PROJECT.—

18 “(A) IN GENERAL.—The Secretary, acting
19 through the Administrator of the Food and Nu-
20 trition Service, shall conduct an evaluation of
21 the pilot projects in each of the school food au-
22 thorities selected for participation. Such evalua-
23 tion shall include—

24 “(i) a determination of the effect of
25 participation in the pilot project on the

1 academic achievement, tardiness and at-
2 tendance, and dietary intake of participat-
3 ing children that is not attributable to
4 changes in educational policies and prac-
5 tices; and

6 “(ii) a determination of the effect that
7 participation by elementary schools in the
8 pilot projects has on the proportion of stu-
9 dents who eat breakfast.

10 “(B) REPORT.—Upon completion of the
11 pilot projects and the evaluation, the Secretary
12 shall submit to the Committee on Education
13 and the Workforce of the House of Representa-
14 tives and the Committee on Agriculture, Nutri-
15 tion, and Forestry of the Senate a report con-
16 taining the evaluation of the pilot required
17 under subparagraph (A).

18 “(8) REIMBURSEMENT REQUIREMENT UNDER
19 BREAKFAST PROGRAM.—(A) Except as provided in
20 subparagraph (B), a school participating in a pilot
21 project under this subsection shall receive a total
22 Federal reimbursement under the school breakfast
23 program in an amount equal to the total Federal re-
24 imbursement for the school in the prior year under

1 such program (adjusted for inflation and fluctua-
2 tions in enrollment).

3 “(B) Funds required for the pilot project in ex-
4 cess of the level of reimbursement received by the
5 school in the prior year (adjusted for inflation and
6 fluctuations in enrollment) may be taken from any
7 non-Federal source or from amounts appropriated to
8 carry out this subsection. If no appropriations are
9 made for the pilot projects, schools may not conduct
10 the pilot projects.

11 “(9) AUTHORIZATION OF APPROPRIATIONS.—

12 “(A) IN GENERAL.—There are authorized
13 to be appropriated such sums as may be nec-
14 essary to carry out this subsection.

15 “(B) REQUIREMENT.—No amounts may
16 be provided under this subsection unless specifi-
17 cally provided in appropriations Acts.”.

18 **SEC. 110. TRAINING AND TECHNICAL ASSISTANCE.**

19 Section 21(e)(1) of the National School Lunch Act
20 (42 U.S.C. 1769b–1(e)(1)) is amended by striking “1998”
21 and inserting “2003”.

22 **SEC. 111. COMPLIANCE AND ACCOUNTABILITY.**

23 Section 22(d) of the National School Lunch Act (42
24 U.S.C. 1769c(d)) is amended by striking “1996” and in-
25 serting “2003”.

1 **SEC. 112. INFORMATION CLEARINGHOUSE.**

2 (a) AUTHORITY TO ESTABLISH AND MAINTAIN
3 CLEARINGHOUSE.—Section 26(a) of the National School
4 Lunch Act (42 U.S.C. 1769g(a)) is amended by striking
5 “shall” and inserting “may”.

6 (b) NONGOVERNMENTAL ORGANIZATION.—Section
7 26(b) of such Act (42 U.S.C. 1769g(b)) is amended in
8 the matter preceding paragraph (1) by inserting after
9 “shall be selected on a competitive basis” the following:
10 “, except that, notwithstanding any other provision of law,
11 the Secretary may enter into a contract for the services
12 of any organization with which the Secretary has pre-
13 viously entered into a contract under this section without
14 such organization competing for such new contract, if such
15 organization has performed satisfactorily under such prior
16 contract and otherwise meets the criteria established in
17 this subsection,”.

18 (c) LIMITATION ON AMOUNT PROVIDED UNDER THE
19 CONTRACT.—Section 26 of such Act (42 U.S.C. 1769g)
20 is amended—

21 (1) by redesignating subsections (c) and (d) as
22 subsections (d) and (e), respectively; and

23 (2) by inserting after subsection (b) the follow-
24 ing:

25 “(c) LIMITATION ON AMOUNT PROVIDED UNDER
26 THE CONTRACT.—The Secretary may provide to the orga-

1 nization described in subsection (b) an amount not to ex-
 2 ceed \$150,000 in each of fiscal years 1999 through
 3 2003.”.

4 (d) FUNDING.—Section 26(e) of such Act (42 U.S.C.
 5 1769g(e)) (as so redesignated) is amended to read as fol-
 6 lows:

7 “(e) FUNDING.—

8 “(1) IN GENERAL.—There are authorized to be
 9 appropriated \$150,000 for each of the fiscal years
 10 1999 through 2003 to carry out this section.

11 “(2) REQUIREMENT.—No amounts may be pro-
 12 vided for the clearinghouse under this section unless
 13 specifically provided in appropriations Acts.”.

14 **SEC. 113. ACCOMMODATION OF THE SPECIAL DIETARY**
 15 **NEEDS OF INDIVIDUALS WITH DISABILITIES.**

16 Section 27 of the National School Lunch Act (42
 17 U.S.C. 1769h) is amended to read as follows:

18 **“SEC. 27. ACCOMMODATION OF THE SPECIAL DIETARY**
 19 **NEEDS OF INDIVIDUALS WITH DISABILITIES.**

20 “(a) IN GENERAL.—The Secretary may carry out ac-
 21 tivities to help accommodate the special dietary needs of
 22 individuals with disabilities who are participating in a cov-
 23 ered program. Such activities may include—

24 “(1) developing and disseminating to State
 25 agencies guidance and technical assistance materials;

1 “(2) conducting training of State agencies and
2 eligible entities; and

3 “(3) providing grants to State agencies and eli-
4 gible entities.

5 “(b) DEFINITIONS.—As used in this section:

6 “(1) INDIVIDUALS WITH DISABILITIES.—The
7 term ‘individuals with disabilities’ has the meaning
8 given the term ‘individual with a disability’ as de-
9 fined in section 7(8) of the Rehabilitation Act of
10 1973 (29 U.S.C. 706(8)).

11 “(2) COVERED PROGRAM.—The term ‘covered
12 program’ means—

13 “(A) the school lunch program authorized
14 under this Act;

15 “(B) the school breakfast program author-
16 ized under section 4 of the Child Nutrition Act
17 of 1966 (42 U.S.C. 1773); and

18 “(C) any other program authorized under
19 this Act or the Child Nutrition Act of 1966 (ex-
20 cept for section 17) that the Secretary deter-
21 mines is appropriate.

22 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
23 tity’ means a school food authority, institution, or
24 service institution that participates in a covered pro-
25 gram.

1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated such sums as may be
 3 necessary for each of the fiscal years 1999 through 2003
 4 to carry out this section.”.

5 **TITLE II—AMENDMENTS TO THE** 6 **CHILD NUTRITION ACT OF 1966**

7 **SEC. 201. STATE ADMINISTRATIVE EXPENSES.**

8 (a) REALLOCATION OF AMOUNTS.—Section
 9 7(a)(5)(B) of the Child Nutrition Act of 1966 (42 U.S.C.
 10 1776(a)(5)(B)) is amended—

11 (1) by striking “(i)”;

12 (2) by striking the second sentence and all that
 13 follows; and

14 (3) by adding at the end the following: “The
 15 Secretary shall then allocate, for purposes of admin-
 16 istration costs, any remaining amounts among
 17 States that demonstrate a need for such amounts.”.

18 (b) ELIMINATION OF 10 PERCENT TRANSFER LIM-
 19 ITATION.—Section 7(a)(6) of such Act (42 U.S.C.
 20 1776(a)(6)) is amended to read as follows:

21 “(6) Funds available to States under this subsection
 22 and under section 13(k)(1) of the National School Lunch
 23 Act may be used by State agencies for the costs of admin-
 24 istration of the programs authorized under this Act (ex-
 25 cept for the programs authorized under sections 17 and

1 21) and the National School Lunch Act without regard
 2 to the basis on which such funds were earned and allo-
 3 cated.”.

4 (c) REAUTHORIZATION OF PROGRAM.—Section 7(g)
 5 of such Act (42 U.S.C. 1776(g)) is amended by striking
 6 “1998” and inserting “2003”.

7 **SEC. 202. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
 8 **FOR WOMEN, INFANTS, AND CHILDREN.**

9 (a) ADDITIONAL REQUIREMENTS FOR APPLI-
 10 CANTS.—

11 (1) PHYSICAL PRESENCE REQUIREMENT.—Sec-
 12 tion 17(d)(3) of the Child Nutrition Act of 1966 (42
 13 U.S.C. 1786(d)(3)) is amended by adding at the end
 14 the following:

15 “(C)(i) Except as provided in clause (ii), each appli-
 16 cant to the program shall be physically present at each
 17 certification determination in order to determine eligibility
 18 under the program.

19 “(ii) A local agency may waive the requirement of
 20 clause (i)—

21 “(I) if required to do so by requirements under
 22 the Americans with Disabilities Act;

23 “(II) with respect to a child who was present at
 24 the initial certification visit and who is receiving on-
 25 going health care from a provider other than such

1 local agency, if the agency determines that the re-
2 quirement of clause (i) would present a barrier to
3 participation; or

4 “(III) with respect to a child (aa) who was
5 present at the initial certification visit, (bb) who was
6 present at a certification determination within the 1-
7 year period ending on the date of the certification
8 determination described in clause (i), and (cc) who
9 has one or more parents who work, if the agency de-
10 termines that the requirement of clause (i) would
11 cause a barrier to participation.”.

12 (2) INCOME DOCUMENTATION REQUIREMENT.—
13 Section 17(d)(3) of the Child Nutrition Act of 1966
14 (42 U.S.C. 1786(d)(3)), as amended by paragraph
15 (1), is further amended by adding at the end the fol-
16 lowing:

17 “(D)(i) Except as provided in clause (ii), in order to
18 be eligible for the program, each applicant to the program
19 shall provide—

20 “(I) documentation of household income; or

21 “(II) documentation of participation in a pro-
22 gram described in clauses (ii) and (iii) of paragraph
23 (2)(A).

24 “(ii)(I) A State agency may waive the requirement
25 of clause (i)—

1 “(aa) with respect to an applicant for whom the
2 necessary documentation is not available; or

3 “(bb) with respect to an applicant, such as
4 homeless women or children, for whom the agency
5 determines the requirement of clause (i) would
6 present a barrier to participation.

7 “(II) The Secretary shall prescribe regulations to
8 carry out division (aa).”.

9 (b) EDUCATION AND EDUCATIONAL MATERIALS RE-
10 LATING TO EFFECTS OF DRUG AND ALCOHOL USE.—Sec-
11 tion 17(e)(1) of such Act (42 U.S.C. 1786(e)(1)) is
12 amended by adding at the end the following: “A local
13 agency participating in the program shall provide edu-
14 cation or educational materials relating to the effects of
15 drug and alcohol use by a pregnant, postpartum, or
16 breastfeeding woman on the developing child of the
17 woman.”.

18 (c) DISTRIBUTION OF NUTRITION EDUCATION MA-
19 TERIALS TO STATE AGENCIES ADMINISTERING THE COM-
20 MODITY SUPPLEMENTAL FOOD PROGRAM.—Section 17(e)
21 of such Act (42 U.S.C. 1786(e)) is amended—

22 (1) by redesignating paragraphs (4) and (5) as
23 paragraphs (5) and (6), respectively; and

24 (2) by inserting after paragraph (3) the follow-
25 ing:

1 “(4) The Secretary may provide nutrition education
2 materials, including breastfeeding promotion materials,
3 developed with funds appropriated to carry out the pro-
4 gram under this section in bulk quantity to State agencies
5 administering the commodity supplemental food program
6 authorized under sections 4(a) and 5 of the Agriculture
7 and Consumer Protection Act of 1973 at no cost to that
8 program.”.

9 (d) IDENTIFICATION OF RECIPIENTS PARTICIPATING
10 AT MORE THAN One SITE.—Section 17(f) of such Act (42
11 U.S.C. 1786(f)) is amended by adding at the end the fol-
12 lowing:

13 “(23) Each State agency shall implement a system
14 designed to identify recipients who are participating at
15 more than one site under the program.”.

16 (e) IDENTIFICATION OF HIGH RISK VENDORS; COM-
17 PLIANCE INVESTIGATIONS.—

18 (1) IN GENERAL.—Section 17(f) of such Act
19 (42 U.S.C. 1786(f)), as amended by this Act, is fur-
20 ther amended by adding at the end the following:

21 “(24) Each State agency—

22 “(A) shall identify vendors that have a high
23 probability of program abuse; and

24 “(B) shall conduct compliance investigations of
25 such vendors.”.

1 (2) REGULATIONS.—Not later than March 1,
2 1999, the Secretary of Agriculture shall promulgate
3 final regulations to carry out section 17(f)(24) of
4 such Act (42 U.S.C. 1786(f)(24)), as added by para-
5 graph (1).

6 (f) REAUTHORIZATION OF PROGRAM.—Section
7 17(g)(1) of such Act (42 U.S.C. 1786(g)(1)) is amended
8 in the first sentence by striking “1995 through 1998” and
9 inserting “1999 through 2003”.

10 (g) PURCHASE OF BREAST PUMPS.—Section
11 17(h)(1)(C) of such Act (42 U.S.C. 1786(h)(1)(C)) is
12 amended—

13 (1) by striking “(C)” and inserting “(C)(i)”;
14 and

15 (2) by adding at the end the following:

16 “(ii)(I) Notwithstanding any other provision of this
17 section, with respect to fiscal year 2000 and subsequent
18 fiscal years, a State agency may use amounts made avail-
19 able under clause (i) for the purchase of breast pumps.

20 “(II) A State agency that exercises the authority of
21 subclause (I) shall expend from amounts allocated for nu-
22 trition services and administration an amount for the pur-
23 chase of breast pumps that is not less than the amount
24 expended for the purchase of breast pumps from amounts

1 available for nutrition services and administration for the
2 prior fiscal year.”.

3 (h) NUTRITION SERVICES AND ADMINISTRATION.—

4 (1) ALLOCATION OF AMOUNTS.—Section
5 17(h)(2)(A) of such Act (42 U.S.C. 1786(h)(2)(A))
6 is amended in the first sentence by striking “1995
7 through 1998” and inserting “1999 through 2003”.

8 (2) LEVEL OF PER PARTICIPANT EXPENDI-
9 TURE.—Section 17(h)(2)(B)(ii) of such Act (42
10 U.S.C. 1786(h)(2)(B)(ii)) is amended by striking
11 “15 percent” and inserting “10 percent (except that
12 the Secretary may establish a higher percentage for
13 small State agencies)”.

14 (i) CONVERSION OF AMOUNTS FOR FOOD BENEFITS
15 TO AMOUNTS FOR NUTRITION SERVICES AND ADMINIS-
16 TRATION.—Section 17(h)(5)(A) of such Act (42 U.S.C.
17 1786(h)(5)(A)) is amended in the matter preceding clause
18 (i) by striking “achieves” and all that follows through
19 “such State agency may” and inserting “submits a plan
20 to reduce average food costs per participant and to in-
21 crease participation above the level estimated for such
22 State agency, such State agency may, with the approval
23 of the Secretary,”.

1 (j) INFANT FORMULA PROCUREMENT.—Section
 2 17(h)(8)(A) of such Act (42 U.S.C. 1786(h)(8)(A)) is
 3 amended by adding at the end the following:

4 “(iii) A State agency using a competitive bidding sys-
 5 tem for infant formula shall award contracts to the bidder
 6 offering the lowest net price unless the State agency dem-
 7 onstrates to the satisfaction of the Secretary that the
 8 weighted average retail price for different brands of infant
 9 formula in the State does not vary by more than 5 per-
 10 cent.”.

11 (k) INFRASTRUCTURE AND BREASTFEEDING PRO-
 12 MOTION/SUPPORT ACTIVITIES.—Section 17(h)(10)(A) of
 13 such Act (42 U.S.C. 1786(h)(10)(A)) is amended by strik-
 14 ing “For each of fiscal years 1995 through 1998,” and
 15 inserting “For each fiscal year through 2003,”.

16 (l) CONSIDERATION OF PRICE LEVELS OF RETAIL
 17 STORES FOR PARTICIPATION IN THE PROGRAM.—

18 (1) IN GENERAL.—Section 17(h) of such Act
 19 (42 U.S.C. 1786(h)) is amended by adding at the
 20 end the following:

21 “(11)(A) For the purpose of promoting efficiency and
 22 to contain costs under the program, a State agency shall,
 23 in selecting a retail store for participation in the program,
 24 take into consideration the prices that the store charges

1 for foods under the program as compared to the prices
 2 that other stores charge for such foods.

3 “(B) The State agency shall establish procedures to
 4 insure that a retail store selected for participation in the
 5 program does not subsequently raise prices to levels that
 6 would otherwise make the store ineligible for selection in
 7 the program.”.

8 (2) REGULATIONS.—Not later than March 1,
 9 1999, the Secretary of Agriculture shall promulgate
 10 final regulations to carry out section 17(h)(11)(A) of
 11 the Child Nutrition Act of 1966 (42 U.S.C.
 12 1786(h)(11)(A)), as added by paragraph (1).

13 (m) MANAGEMENT INFORMATION SYSTEM PLAN.—
 14 Section 17(h) of such Act (42 U.S.C. 1786(h)), as amend-
 15 ed by this Act, is further amended by adding at the end
 16 the following:

17 “(12)(A) In consultation with State agencies, retail-
 18 ers, and other interested persons, the Secretary shall es-
 19 tablish a long range plan for the development and imple-
 20 mentation of management information systems (including
 21 electronic benefit transfers) to be used in carrying out the
 22 program.

23 “(B) Not later than 2 years after the date of the en-
 24 actment of this paragraph, the Secretary shall submit to
 25 the Committee on Education and the Workforce of the

1 House of Representatives and the Committee on Agri-
 2 culture, Nutrition, and Forestry of the Senate a report
 3 on actions taken to carry out subparagraph (A).

4 “(C) Prior to the date of the submission of the report
 5 of the Secretary required under subparagraph (B), the
 6 cost of systems or equipment that may be required to test
 7 management information systems (including electronic
 8 benefit transfers) for the program may not be imposed on
 9 a retail food store.”.

10 (n) USE OF FUNDS IN PRECEDING AND SUBSE-
 11 QUENT FISCAL YEARS.—

12 (1) IN GENERAL.—Clauses (i) and (ii) of sec-
 13 tion 17(i)(3)(A) of such Act (42 U.S.C.
 14 1786(i)(3)(A)(i) and (ii)) are amended to read as
 15 follows:

16 “(i) not more than 1 percent (except as pro-
 17 vided in subparagraph (C)) of the amount of funds
 18 allocated to a State agency under this section for
 19 supplemental foods for a fiscal year, and not more
 20 than 1 percent of the amount of funds allocated to
 21 a State agency under this section for nutrition serv-
 22 ices and administration for a fiscal year, may be ex-
 23 pended by the State agency for allowable expenses
 24 incurred under this section for supplemental foods

1 and nutrition services and administration, respec-
2 tively, during the preceding fiscal year; and

3 “(ii)(I) a State agency may expend, from
4 amounts allocated to the agency for nutrition serv-
5 ices and administration, an amount equal to not
6 more than 1 percent of the total amount of funds al-
7 located to the agency under this section for a fiscal
8 year for allowable expenses incurred under this sec-
9 tion for nutrition services and administration during
10 the subsequent fiscal year; and

11 “(II) with the prior approval of the Secretary,
12 a State agency may expend, from amounts allocated
13 to the agency for nutrition services and administra-
14 tion, an amount equal to not more than one-half of
15 1 percent of the total amount of funds allocated to
16 the agency under this section for a fiscal year for
17 the development of a management information sys-
18 tem, including an electronic benefit transfer system,
19 during the subsequent fiscal year.”.

20 (2) CONFORMING AMENDMENTS.—Section 17 of
21 such Act (42 U.S.C. 1786) is amended—

22 (A) in subsection (h)(10)(A) (as amended
23 by this Act), by inserting after “nutrition serv-
24 ices and administration funds” the following:
25 “and food benefit funds”; and

1 (B) in subsection (i)(3)—

2 (i) by striking subparagraphs (C)
3 through (G); and

4 (ii) by redesignating subparagraph
5 (H) as subparagraph (C).

6 (o) FARMERS MARKET NUTRITION PROGRAM.—

7 (1) MATCHING FUND REQUIREMENT.—Section
8 17(m)(3) of such Act (42 U.S.C. 1786(m)(3)) is
9 amended in both the first and second sentences by
10 striking “total” each place it appears and inserting
11 “administrative”.

12 (2) RANKING CRITERIA FOR STATE PLANS.—
13 Section 17(m)(6) of such Act (42 U.S.C.
14 1786(m)(6)) is amended—

15 (A) by striking subparagraph (F); and

16 (B) by redesignating subparagraph (G) as
17 subparagraph (F).

18 (3) REAUTHORIZATION OF PROGRAM.—Section
19 17(m)(9)(A) of such Act (42 U.S.C. 1786(m)(9)(A))
20 is amended by striking “1996 through 1998” and
21 inserting “1999 through 2003”.

22 (p) DISQUALIFICATION OF CERTAIN VENDORS.—

23 (1) IN GENERAL.—Section 17 of such Act (42
24 U.S.C. 1786) is amended by adding at the end the
25 following:

1 “(o) DISQUALIFICATION OF VENDORS CONVICTED OF
2 TRAFFICKING OR ILLEGAL SALES.—

3 “(1) IN GENERAL.—Except as provided in para-
4 graph (5), the State agency shall permanently dis-
5 qualify a vendor convicted of trafficking in food in-
6 struments (including any voucher, draft, check, or
7 access device, including an electronic benefit transfer
8 card or personal identification number, issued in lieu
9 of a food instrument pursuant to the provisions of
10 this section), or selling firearms, ammunition, explo-
11 sives, or controlled substances (as defined in section
12 102 of the Controlled Substances Act) in exchange
13 for food instruments.

14 “(2) NOTICE OF DISQUALIFICATION.—The
15 State agency shall provide the vendor with notifica-
16 tion of the disqualification and shall make such dis-
17 qualification effective on the date of receipt of the
18 notice of disqualification.

19 “(3) PROHIBITION ON RECEIPT OF LOST REVE-
20 NUES.—A vendor shall not be entitled to receive any
21 compensation for revenues lost as a result of the dis-
22 qualification under this subsection.

23 “(4) HARDSHIP EXCEPTION IN LIEU OF DIS-
24 QUALIFICATION.—

1 “(A) IN GENERAL.— A State agency may
2 permit a vendor that would otherwise be dis-
3 qualified under paragraph (1) to continue to re-
4 deem food instruments or otherwise provide
5 supplemental foods to participants if the State
6 agency determines, in its sole discretion accord-
7 ing to criteria established by the Secretary, dis-
8 qualification of the vendor would cause hard-
9 ship to participants in the program authorized
10 under this section.

11 “(B) CIVIL MONEY PENALTY.—Whenever a
12 State agency authorizes a vendor that would
13 otherwise be disqualified to redeem food instru-
14 ments or provide supplemental foods in accord-
15 ance with subparagraph (A), the State agency
16 shall assess the vendor a civil money penalty in
17 lieu of a disqualification.

18 “(C) AMOUNT.— The State agency shall
19 determine the amount of the civil penalty ac-
20 cording to criteria established by the Sec-
21 retary.”.

22 (2) REGULATIONS.—

23 (A) IN GENERAL.—Not later than March
24 1, 1999, the Secretary of Agriculture shall pro-
25 mulgate final regulations to carry out section

1 17(o) of such Act (42 U.S.C. 1786(o)), as
2 added by paragraph (1).

3 (B) ADDITIONAL REQUIREMENT.—The
4 final regulations described in subparagraph (A)
5 shall include criteria for determining the
6 amount of civil money penalties in lieu of dis-
7 qualification and for making hardship deter-
8 minations under such section.

9 (q) STUDY AND REPORT BY ECONOMIC RESEARCH
10 SERVICE.—Section 17 of such Act (42 U.S.C. 1786), as
11 amended by this Act, is further amended by adding at the
12 end the following:

13 “(p) STUDY AND REPORT BY ECONOMIC RESEARCH
14 SERVICE.—

15 “(1) STUDY.—The Secretary, acting through
16 the Administrator of the Economic Research Service,
17 shall conduct a study on the effect of cost contain-
18 ment practices established by States under the pro-
19 gram for the selection of vendors and approved food
20 items (other than infant formula) on the following:

21 “(A) Program participation.

22 “(B) Access and availability of prescribed
23 foods.

24 “(C) Voucher redemption rates and actual
25 food selections by participants.

1 “(D) Participants on special diets or with
2 specific food allergies.

3 “(E) Participant use and satisfaction of
4 prescribed foods.

5 “(F) Achievement of positive health out-
6 comes.

7 “(G) Program costs.

8 “(2) REPORT.—Not later than 3 years after the
9 date of the enactment of the Child Nutrition and
10 WIC Reauthorization Amendments of 1998, the Ad-
11 ministrator shall submit to the Secretary of Agri-
12 culture, the Committee on Education and the Work-
13 force of the House of Representatives, and the Com-
14 mittee on Agriculture, Nutrition, and Forestry of
15 the Senate a report containing the results of the
16 study conducted under paragraph (1).”.

17 (r) COLLECTION AND USE OF PENALTIES FROM
18 VENDOR AND RECIPIENT FRAUD AND ABUSE.—Section
19 17 of such Act (42 U.S.C. 1786), as amended by this Act,
20 is further amended by adding at the end the following:

21 “(q) USE OF PENALTIES FROM VENDOR AND RECIP-
22 IENT FRAUD AND ABUSE.—Amounts collected from pen-
23 alties from vendors and recipients relating to violations of
24 any provision of this section (including any regulation es-
25 tablished to carry out this section) for fraud and abuse

1 under the program may be used for nutrition services and
2 administration and food benefits only for the 1-year period
3 beginning on the date on which amounts under the penalty
4 are received.”.

5 (s) MAXIMUM AMOUNT OF FINE FOR CERTAIN VIO-
6 LATIONS UNDER THE PROGRAM.—Section 17 of such Act
7 (42 U.S.C. 1786), as amended by this Act, is further
8 amended by adding at the end the following:

9 “(r) MAXIMUM AMOUNT OF FINE FOR CERTAIN VIO-
10 LATIONS UNDER THE PROGRAM.—The maximum amount
11 of a fine with respect to the embezzlement, willful
12 misapplication, stealing, obtaining by fraud, or trafficking
13 in food instruments of funds, assets, or property that are
14 of a value of \$100 or more under the program shall be
15 \$25,000.”.

16 (t) CRIMINAL FORFEITURE.—Section 17 of such Act
17 (42 U.S.C. 1786), as amended by this Act, is further
18 amended by adding at the end the following:

19 “(s) CRIMINAL FORFEITURE.—

20 “(1) IN GENERAL.—In imposing a sentence on
21 a person convicted of an offense in violation of any
22 provision of this section (or any regulation promul-
23 gated under this section), a court shall order, in ad-
24 dition to any other sentence imposed under this sec-

tion, that the person forfeit to the United States all property described in paragraph (2).

“(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of any provision of this section (or any regulation promulgated under this section), or proceeds traceable to a violation of any provision of this section (or any regulation promulgated under this section), shall be subject to forfeiture to the United States under paragraph (1).

“(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

“(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

“(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

1 “(B) second, to reimburse the Department
2 of Agriculture Office of Inspector General for
3 any costs the Office incurred in the law enforce-
4 ment effort resulting in the forfeiture;

5 “(C) third, to reimburse any Federal or
6 State law enforcement agency for any costs in-
7 curred in the law enforcement effort resulting
8 in the forfeiture; and

9 “(D) fourth, by the State agency to carry
10 out the approval, reauthorization, and compli-
11 ance investigations of vendors.”.

12 **SEC. 203. NUTRITION EDUCATION AND TRAINING PRO-**
13 **GRAM.**

14 Section 19(i) of the Child Nutrition Act of 1966 (42
15 U.S.C. 1788(i)) is amended—

16 (1) by striking paragraphs (1) and (2);
17 (2) by redesignating paragraphs (3), (4), and
18 (5) as paragraphs (1), (2), and (3), respectively; and
19 (3) in paragraph (1) (as redesignated)—

20 (A) in the paragraph heading, by striking
21 “1997 THROUGH 2002 ” and inserting “1999
22 THROUGH 2003”; and

23 (B) by amending subparagraph (A) to read
24 as follows:

1 “(A) IN GENERAL.—There are authorized
2 to be appropriated to carry out this section
3 such sums as are necessary for fiscal years
4 1999 through 2003.”.

Passed the House of Representatives July 20, 1998.

Attest:

Clerk.